

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-39239
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SHRIKE 10 STATE COM
8. Well Number #2H
9. OGRID Number 281994
10. Pool name or Wildcat: Willow Lake, Delaware SW (96855)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2923' GL

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
LRE OPERATING, LLC.

3. Address of Operator
c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401

4. Well Location
 Unit Letter N : 400 feet from the SOUTH line and 2490 feet from the WEST line
 Section 10 Township 25-S Range 28-E NMPM Eddy County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: P&A <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LRE OPERATING, LLC would like to P&A this well as follows: MIRUSU. TOH w/all production equipment. TIH w/tbg to ~MD6750'. Circ hole w/P&A mud (25 sx gel/100 bbls water). TOH. **Plug #1, (4470'-4370') Delaware Horizontal Lateral w/frac ports @ MD5031'-6748'**. Set 7" CIBP @ 4470' & top w/25 sx cmt (~133'). WOC. **Plug #2 (650'-550'), 9-5/8" csg shoe @ 600'**. Perf 3 SQ holes @ 650'. Set 7" PKR @ 400'. Establish rate into SQ holes w/bradenhead valve open. Mix 44 sx cmt & SQ 25 sx outside 7" csg & leave 19 sx inside csg. WOC. Tag cmt. **Plug #3 (60'-Surface)**. Perf 3 SQ holes @ 60'. Establish circ out bradenhead w/water. Pump cmt down 7" csg & circ out bradenhead, (~21 sx). Cut off csg below surface csg flange. Install P&A marker with cmt to comply with government specs. RD move off location, cut off anchors and restore location.

All cmt calc outside of csg are @ 200%.

Spud Date: 7/28/11 Drilling Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 6/25/13

Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only
 APPROVED BY: [Signature] TITLE Dist. #2 Supervisor DATE 7/2/2013
 Conditions of Approval (if any):

CONDITIONS OF APPROVAL ATTACHED

Approved for plugging of well bore only.
 Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web Page under Forms, www.cmnr.state.nm.us/oed.

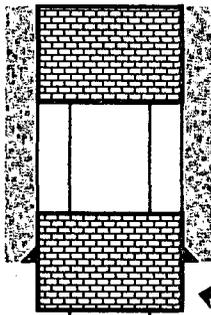
RECEIVED
 JUN 27 2013
 NMOCD ARTESIA

Approval Granted providing work is

Completed by July 2 2014

★ SEE ATTACHED COA'S

Shrike 10 State Com #2H
Sec 10-25S-28E (N)
SHL: 400' FNL, 2,590' FWL
BHL: 400' FNL, 330' FWL
Elevation: 2,923' GL
2,938.5' KB
Eddy County, NM



PLUG #3: 60'-Surface
PERF 3 SQ HOLES @ 60'
Circ. ~21 sx CMT

9-5/8", 36#, J-55, ST&C Casing @ 600'

PLUG #2: 650'-550'
PERF 3 SQ HOLES @ 650'
SQ W/44 sx CMT

Surface Cement Information: (200% excess - TOC - Surface)
Lead - 150 sacks of 35:65 (Poz:C) + 6% Bentonite + 2% CaCl2 + 0.25 pps Poly-E-Flake
(Density - 12.70 ppg, Yield - 1.88 cuft/sk, Mix Water - 10.07 gps)
Tail - 140 sacks of Class C + 2% CaCl2
(Density - 14.80 ppg, Yield - 1.34 cuft/sk, Mix Water - 6.36 gps)

Liner Top Packer	4,627'
Hydraulic Packer	4,850'
7" Shoe	4,910'
Frac Port -1	5,100'
Hydraulic Packer	5,200'
Frac Port - 2	5,300'
Hydraulic Packer	5,400'
Frac Port - 3	5,500'
Hydraulic Packer	5,600'
Frac Port - 4	5,700'
Hydraulic Packer	5,800'
Frac Port - 5	5,900'
Hydraulic Packer	6,000'
Frac Port - 6	6,100'
Hydraulic Packer	6,200'
Frac Port - 7	6,300'
Hydraulic Packer	6,400'
Frac Port - 8	6,500'
Hydraulic Packer	6,600'
Hydraulic Port	6,694'
TD	6,827'

TOC @ 2185'
TEMP SURVEY

KOP @ 4,470

PLUG #1: 4470'-4370'
7" CIBP @ 4470'
TOPPED W/25 sx CMT

Ball-Actuated
Frac Port

6-1/8" Cherry Canyon 6 Lateral

MTD @ 6,827'
Est TVD @ 4,776'

Hydraulic Packers

4-1/2"; 11.6#, P110, LTC Liner from 4,627' to 6,827' w/ External Packers & Frac Ports

7"; 23# N-80, LTC Casing @ 4,870' MD
(4,787' TVD) @ 65.98 deg inclination

Intermediate Cement Information: (100% excess)
Lead - 250 sacks of 35:65 (Poz:C) + 6% Bentonite + 5% (BWOW) NaCl2 + 0.25 pps Poly-E-Flake
(Density - 12.40 ppg, Yield - 2.09 cuft/sk, Mix Water - 11.64 gps) - Top of cement - 1500'
Tail - 160 sacks of Class C + adds.
(Density - 14.80 ppg, Yield - 1.33 cuft/sk, Mix Water - 6.28 gps) - 1247 linear ft of tail cement

CURRENT
6/24/13

**Shrike 10 State Com #2H
Sec 10-25S-28E (N)
SHL: 400' FNL, 2,590' FWL
BHL: 400' FNL, 330' FWL
Elevation: 2,923' GL
2,938.5' KB
Eddy County, NM**

9-5/8", 36#, J-55, ST&C Casing @ 600'

Surface Cement Information: (200% excess - TOC - Surface)
Lead - 150 sacks of 35:65 (Poz:C) + 6% Bentonite + 2% CaCl₂ + 0.25 pps Poly-E-Flake
 (Density - 12.70 ppg, Yield - 1.88 cuft/sk, Mix Water - 10.07 gps)
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 (Density - 14.80 ppg, Yield - 1.33 cuft/sk, Mix Water - 6.28 gps) - 1247 linear ft of tail cement

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: LRE Operating, LLC

Well Name & Number: Shrike 10 State Com 2H

API #: 30-015-39239

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perms, before any plugs can be set, by whatever means possible.
8. **Cement Retainers may not be used.**

9. Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.
10. Plugs may be combined after consulting with and getting approval from NMOCD.
11. Minimum WOC time for tag plugs will be 4 Hrs.

DATE: July 2, 2013

APPROVED BY:

FRDade

GUIDELINES FOR PLUGGING AND ABANDONMENT

DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.

- Formations to be isolated with plugs placed at the top of each formation are:
 - Fusselman
 - Devonian
 - Morrow
 - Wolfcamp
 - Bone Spring
 - Delaware
 - Any Salt Section (Plug at top and bottom)
 - Abo
 - Glorieta
 - Yates (this plus is usually at base of salt section)

- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).